

Aug. 12, 2009

Kansas Corporation Commission

Thomas E. Wright, chairman

Michael C. Moffet

Joseph F. Harkins

RE: Docket No. 09-WSEE-GIE

Dear Commissioners:

The City of Wichita has grave concerns about the Westar Energy request to consolidate the electrical rates charged to the territories of Westar North and Westar South. Those concerns are expressed in a unanimous resolution the Wichita City Council, and also in City's intervention petitions filed with the Kansas Corporation Commission.

As far back as 1999, the City of Wichita launched a major campaign to convince the KCC to enact rate parity. The facts are well known, and don't need to be fully recited here. But the bottom line is that the City of Wichita, along with all other Westar electrical customers in the South territory, was penalized for 17 years because of an unfair rate structure.

The City, working in concert with industrial customers in the South, succeeded in substantially reducing rates and getting a refund, but was unable to end this disparity between the North and South. The KCC denied efforts to combine rates for the two areas that previously were served by the independent companies of Kansas Power & Light and Kansas Gas & Electric. As a result, Wichita and other South customers have already paid hundreds of millions of dollars more for electricity under the punitive rate structure that was adopted when those two companies merged into Westar Energy.

In recent years, the costs of Wolf Creek and nuclear generated power have been lower than power generated from coal plants in the North. North electrical rates have averaged about 14% higher than the South. Now that the rate disparity has shifted in favor of the South customers, Westar has asked the KCC to equalize rates by raising rates in the South

The situation is now reversed from that era when the City of Wichita's pleas for rate parity fell on deaf ears. Today, cheaper power from Wolf Creek has helped curtail electrical rates in the South territory. But instead of being allowed to recoup the excess charges of that previous 17 year period, Westar South customers are now being asked to accept "rate parity" that eases the financial pain of customers in the North territory.

It is a simple matter of fairness to allow South customers to enjoy a timely benefit for which they so dearly paid during the years of gross rate disparity.

Westar contends the proposed rate consolidation would result in a very slight impact of only three percent. But what is left unsaid is the impact of that rate change on various classes of customers throughout the territory. Much more dramatic increases are in store for some customers, adding even greater financial injury to the ethical insult contained in the rate consolidation request.

On behalf of the Wichita City Council and the 350,000 residents of this community, please broaden your vision of the historic implications of this request. Don't simply accept the narrow definitions offered by the company, but look instead at the absolute and irrefutable need for fairness.

Thank you for your consideration.

Mayor Carl Brewer